LOS ANGELES TIMES 9 November 1986

Dealing With Iran—and Double-Dealing at Home

By Richard B. Straus

WASHINGTON

ot content to deceive outsiders, the Reagan Administration is now caught lying to itself. Such is the inevitable result of the latest operation to emerge from the shadows of the National Security Council staff.

The undisputed fact that key White House personnel including Robert C. (Bud) McFarlane, former national security adviser, and Lt. Col. Oliver L. North, deputy director of political and military affairs, have been secretly negotiating with Iran has sent tremors through an unsuspecting bureaucracy. "This isn't diplomacy, it's treachery," said one furious member of the State Department.

Why such anger? Because by being caught negotiating with Iran, the Reagan Administration has in effect cut a wide swath through at least two firmly held and highly touted policies. The first is the war against terrorism.

After loudly castigating the French government for trying to fashion a unilateral deal with Syria that would produce the release of its nationals, Washington has gone Paris one better and dealt with Iran. "Call it what you will, but we are negotiating with the worst of the terrorists," said an outraged State Department official.

Even those scrambling to come up with a plausible explanation for these bizarre U.S.-Iranian dealings are hard-pressed to explain away the damage done to U.S. anti-terrorism policy. "We are breaking a basic tenet about dealing with terrorists, even if you use a different name," said one official at State. Another senior U.S. official admitted, with some understatement, "It will be harder to put pressure on the French."

But it is not only the Administration's cherished anti-terrorism policy that is threatening to come unraveled because of clandestine dealings with Iran. Also suddenly at risk is the objective of promoting a gradual end to the Iran-Iraq War. Recently there have been signs of war weariness in Iran as well as Iraq. Some experts contend that with the decline in oil prices and the new aggressive military tactics being pursued by Iraq, Iran's ability to wage war is being steadily eroded. And with it goes Iran's psychological edge, its superior morale. "Now in one fell swoop, the U.S. is boosting Iranian morale to unprecedented heights as we go hat in hand seeking a few hostages,' lamented one State Department expert.

Even if this was not the intent of the secret talks, it nonetheless does not appear to be of great concern among some Administration insiders. In fact, a small number of key Administration officials have long sought to improve ties with Iran, whatever the cost. They see Iran as the great strategic prize in the region. As one policy-maker explained, "It is not in our interest to be cut off from Iran. We need to send signals that we are not implacably hostile." But at the same time most officials believe that the United States must also ensure an Iranian understanding that terrorism, hostage-taking and threats to its neighbors are still unacceptable.

Now, however, these messages appear to be lost in the rush to secure the release

of American hostages held by pro-Iranian extremists in Lebanon. And they are completely undermined when accompanied by planeloads of American-built weapons.

Is it possible that those conducting the negotiations gave little thought to such ramifications? In fact, those in the know were few. Outside advice was neither solicited nor accepted. The entire State Department was kept ignorant of any planning, as were key Middle East experts throughout the government. "They managed to exclude all possible expertise," said an Administration official.

There was, however, a reputed expert definitely at the center of operations: North. But according to one informed source, "Ollie's only role was to skulk around and find a channel to the Iranians. He likes doing that sort of thing."

Although the planning was more than a year in the making, surprisingly few outside this inner circle had an inkling of what was going on. One expert who did was Graham Fuller of the Central Intelligence Agency.

Last July, Fuller circulated a study recommending increased contacts with Iran. When apprised that such an approach would undermine the Administration's terrorism policy, Fuller continued undeterred. But officials with even more direct responsibility for Middle East matters and anti-terrorism efforts were kept completely in the dark.

Those who did catch a glimmer of the planning were quickly discouraged from any kind of involvement. Even Secretary of State George P. Shultz turned a blind eye to the planning, although it affected his cherished anti-terrorism policy and his painstaking efforts to tilt U.S. policy toward Iraq in hopes of bringing the

Iran-Iraq War to an end. "Shultz knew what was going on, didn't like it but chose not to become involved," said one informed source.

A possible explanation for Shultz's uncharacteristic reticence could have been his awareness of President Reagan's deep personal interest in securing the release of American hostages. "The maltreatment of the hostages has had an impact on Ronald Reagan," admitted one official.

While the President's concern for the personal safety of his fellow citizens is commendable and admirable, the same could not be said for his grasp of the implications these sort of talks may have on wider U.S. interests. As one State Department official put it, "Is it worth risking the history of the Persian Gulf for the sake of a few individuals?"

Meanwhile, the Iranians have given away little. For a few hostages ("who are like crumbs on a table to the Iranians," said one Middle East expert), the Iranians have exposed the soft underbelly of Reaganism. More practically, they have kept their U.S.-built F-4 Phantom aircraft flying, at least 50 of them. And now they're on the verge of concluding a \$1.3-billion arms deal with China—a deal that, significantly, the Iranians were unable to pull off before they began talking to Administration representatives about the hostages.

Finally, as the Iranians must be aware, when the deals are complete and North, McFarlane and all remaining American hostages come home, there will still be more than a few intrepid, if not foolhardy Americans wandering down the back streets of the Middle East.

Richard B. Straus, a Washington-based journalist, is editor of the Middle East Policy Survey.